

Message Text

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ORIGIN EB-07

INFO OCT-01 ISO-00 EUR-12 AGR-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

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EUR/NE:SWARRELL

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R 291609Z SEP 75

FM SECSTATE WASHDC

TO AMEMBASSY LONDON

INFO USMISSION GENEVA

AMEMBASSY BANGKOK

AMEMBASSY TAIPEI

AMEMBASSY SEOUL

USMISSION EC BRUSSELS

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E.O. 11652:

TAGS: ETRD,

SUBJECT: TEXTILES -- UK LICENSING SYSTEM

GENEVA FOR PHELAN

BANGKOK FOR NEGOTIATING TEAM

1. FOLLOWING IS TEXT OF SEPTEMBER 25, 1975, ARTICLE IN THE
DAILY NEWS RECORD, HEADLINED: "UK CURBS IMPORTS FROM S.
KOREA AND TAIWAN." BEGIN QUOTE

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THE BRITISH GOVERNMENT HAS CRACKED DOWN HARD ON SOARING

IMPORTS OF TEXTILES AND APPAREL FROM TAIWAN AND SOUTH KOREA, SAYING IT WILL NOT GRANT FURTHER REQUESTS FOR LICENSES TO IMPORT FROM THOSE COUNTRIES THIS YEAR.

THE DEPARTMENT OF TRADE CITING THE "HEAVY DEMAND" FOR IMPORT LICENSES, SAID WEDNESDAY IT WILL NOT CONSIDER ANY FURTHER APPLICATIONS TO IMPORT FROM SOUTH KOREA FOLLOWING A SIMILAR MOVE LAST WEEK ON TEXTILE AND APPAREL IMPORTS FROM TAIWAN.

GOVERNMENT TRADE OFFICIALS SAID THEY HAVE BEEN SWAMPED WITH APPLICATIONS FOR IMPORT LICENSES COVERING GOODS FROM BOTH COUNTRIES. IN SOUTH KOREA'S CASE, THE DEPARTMENT OF TRADE SAID IT ALREADY HAS RECEIVED "MORE THAN ENOUGH" APPLICATIONS FOR LICENSES TO FILL THE EMERGENCY QUOTA ON IMPORTS, ORDERED BY THE EUROPEAN ECONOMIC COMMUNITY, FOR THE REST OF THE YEAR.

ON TEXTILES AND APPAREL FROM TAIWAN, APPLICATIONS FOR IMPORT LICENSES ARE BELIEVED TO BE ROUGHLY DOUBLE THE CURRENT QUOTA ALLOCATION.

AS PREVIOUSLY REPORTED, THE COMMON MARKET HAS SLAPPED ON ELECTIVE QUOTAS ON IMPORTS FROM SOME ASIAN COUNTRIES AFTER NEGOTIATORS WERE UNABLE TO REACH AGREEMENT ON VOLUNTARY IMPORT CURBS.

THE DEPARTMENT OF TRADE SAID IT WON'T GRANT IMPORT LICENSES FOR GOODS SHIPPED HERE FROM TAIWAN AFTER AUGUST 8 OR FOR GOODS SHIPPED FROM SOUTH KOREA AFTER AUGUST 22.

LEADING UK TEXTILE AND APPAREL IMPORTERS STRONGLY PROTESTED THE MOVES, SAYING THEY NOW FACE THE PROSPECT OF KEEPING MERCHANDISE, ORDERED AND PAID FOR, IN WAREHOUSES AT CONSIDERABLE COST.

BPT LEISURE INTERNATIONAL, ONE OF BRITAIN'S MAJOR IMPORTERS OF APPAREL FROM TAIWAN, ESTIMATED IT HAS LIMITED OFFICIAL USE
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GOODS WORTH BETWEEN 4MILLION DOLLARS AND 6 MILLION DOLLARS ON SHIPS ALREADY EN ROUTE TO THE UK.

THE DEPARTMENT OF TRADE SAID IT WILL TRY TO GIVE PRIORITY IN ALLOCATING IMPORT LICENSES TO FIRMS THAT HAVE ALREADY PAID FOR THEIR GOODS.

THE BRITISH IMPORTERS CONFEDERATION, MEANWHILE, HAS ASKED THE GOVERNMENT TO RECONSIDER ITS ACTION AND GRANT ADDITIONAL IMPORT ALLOCATIONS FOR THE REST OF THIS YEAR.

THE CONFEDERATION SAID IT WAS NOT OPPOSED TO THE IMPORT
QUOTAS, BUT NOTED THEY COULD RESULT IN HIGHER PRICES
AND SCARCITY OF SOME TEXTILE AND APPAREL PRODUCTS.

"WE CALCULATE THAT SOME GARMENTS FROM HONG KONG AND
TAIWAN WILL INCREASE IN PRICE BY 4 DOLLARS OR MORE
BECAUSE THE GOVERNMENT FAILED TO APPRECIATE THE EXTENT
OF OUTSTANDING CONTRACTS WHEN IMPORT QUOTAS WERE
INTRODUCED," THE CONFEDERATION SAID.

IN A RELATED DEVELOPMENT, IT WAS REPORTED FROM BRUSSELS
THAT HONG KONG HAS FAILED IN AN ATTEMPT TO GET THE
COMMON MARKET TO RAISE THE LEVEL OF ITS TEXTILE IMPORT
QUOTAS. NEGOTIATIONS BETWEEN HONG KONG AND EEC OFFICIALS
BROKE DOWN LATE LAST WEEK AND ARE NOT EXPECTED TO
RESUME. END QUOTE

2. WOULD APPRECIATE ANY ADDITIONAL INFORMATION EMBASSY
CAN OBTAIN. INGERSOLL

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